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HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 1509 OF 1994

Pandurang Sonoo Lad,
residing at 26/A,
Balasaheb Desai Society,
Netaji Palkar Road,
Ghatkopar (West),
Bombay - 400 084. ..Petitioner.

Versus.

1. Life Insurance Corporation
of India. ..Respondents.
2. J.S. Jalunkhe,
Chairman of L.I.C.

Shri. K.G. Paste for the petitioner.
Smt. Seemran Purie i/b. De Jure for
the respondents.

CORAM: Smt. Ranjana P. Desai,
& Abhay S. Oka, JJ.

DATE : December 21, 2005.

ORAL JUDGMENT (PER : SMT. RANJANA P. DESAI)

1. The petitioner who was a Development Officer has retired from the service of the 1st respondent - Life Insurance Corporation of India on 1st July, 1991. The petitioner has admittedly been paid all his retiral dues. His grievance is that he has not been paid interest on the delayed payment of cash incentive of Rs.58,838.60. According to the petitioner, the 1st respondent gives commission to the insurance agents/salesman and the Development Officers are entitled to cash incentive on the basis of premium

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received by the 1st respondent and on the basis of insurance policies sold/canvassed by the agents and Development Officers respectively. As per the said scheme and the rules, the petitioner was entitled to receive a sum of Rs.58,838.60 towards cash incentive on the basis of premium amount of Rs.3,67,710/-. The petitioner accordingly made correspondence with the respondent -1 demanding the release of the said cash incentive of Rs.58,838.60 and other benefits of the said business. The petitioner was released his cash incentive of Rs.58,838.60 after a lapse of 12 years. The petitioner's grievance is that the petitioner has not been given interest though the payment was released on 4th March, 1992 i.e. after a period of 12 years.

2. In our opinion the petitioner is justified in claiming interest because the amount is released after a period of 12 years. Respondent -1 was duty bound to perform its obligation of paying cash incentive to the petitioner in reasonable time. Due to inordinate delay on the part of respondent -1, in view of the law laid down by the Apex Court in the case of LIC of India Vs. G.V. Ranade (dead) by LRs. (1989) 4 SCC 297, the Petitioner is entitled to interest. In the circumstances, in our opinion, interest at the rate of 6% per annum would serve the ends of justice. Hence, the following order.

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a. Respondent - 1 is directed to make payment of interest, calculated at the rate of 6% per annum on a sum of Rs.58,838.60 from 1st February, 1983 to 4th March, 1992.

b. The amount be handed over to the petitioner within a period of two months from today.

c. Petition is disposed of in the aforesaid terms.

(SMT. RANJANA P. DESAI, J.)

(ABHAY S. OKA, J.)